

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION

P. O. BOX 88

JEFFERSON CITY, MISSOURI

September 27, 2012

M E M O R A N D U M

What's Inside:Introduction of
Non-Owner
Insurance
Policy for Older
Youth

TO: REGIONAL EXECUTIVE STAFF, CIRCUIT MANAGERS, AND
CHILDREN'S DIVISION STAFF

FROM: CANDACE A. SHIVELY, DIRECTOR

SUBJECT: OLDER YOUTH NON-OWNER INSURANCE POLICY

DISCUSSION:

The purpose of this memorandum is to introduce the availability of an auto liability insurance policy for older youth ages 18 to 21, in the custody of the Children's Division. The Department of Insurance, Financial Institutions and Professional Registration in conjunction with the Children's Division through the Youth Independence Interdepartmental Initiative has been working with the Automobile Insurance Plan Servicing Organization (AIPSO) and its Governing Board to assist youth in foster care with obtaining auto liability coverage for vehicles they drive but do not own.

This coverage is available to youth placed away from their parents or guardians and for whom the Missouri Department of Social Services (Children's Division) has legal custody. With this program, a youth may purchase an auto policy in his/her own name which includes a specially developed form titled "Named Non-owner Coverage Youth in State Custody". The policy provides state required limits of liability and uninsured motorist coverage to the insured youth when driving any vehicle he or she does not own. The special endorsement, however, allows the youth's policy to respond to a claim when the youth is driving a care giver's car differently than when driving a non-caregiver's car.

Liability Coverage*Youth driving non-caregiver car*

The liability insurance covers claim amounts in excess of the car owner's policy when the insured youth causes damage (bodily injury or property damage) to others.

Example: Tom and Mary are friends. Tom owns a car and allows Mary, a youth in state custody, to drive it. Tom has \$50,000 of bodily injury (BI) liability

coverage and Mary has a foster youth policy with BI limits of \$25,000. Mary is legally liable for an accident she has while using Tom's car that results in injury to another driver. The other driver's injuries total \$75,000. Tom's policy would pay his full limits of \$50,000 and Mary's would pay the remaining \$25,000.

Youth driving caregiver car

In instances where the youth uses a caregiver's vehicle, however, a loss would be paid on a proportional basis instead of on an excess basis. This means each policy would pay its pro/rata share of the loss.

Example: Mary has BI limits of \$25,000. Her caregiver has BI limits of \$100,000. Together there is a total of \$125,000 coverage available for any claim resulting in bodily injury for which Mary is found to be legally liable when driving her caregiver's car. 20% of the total coverage will come from Mary's policy and 80% of the coverage will come from her caregiver's policy. If Mary is driving her caregiver's car and her negligence results in an accident causing bodily injury in the amount of \$25,000, Mary's policy would pay \$5,000 (20%) and the caregiver's policy would pay \$20,000 (80%).

Unlike the example with Tom, Mary's policy pays a pro/rata share of the loss immediately. The car owner's policy does not have to exhaust its limits before Mary's policy participates.

Uninsured Motorist Coverage

The uninsured motorist coverage pays for damage to the insured youth when an uninsured driver hits the youth.

Example: Mary is taking her daily run in the neighborhood. She is hit by an uninsured motorist. Mary's uninsured motorist coverage would respond to injuries she sustained in the accident.

*****Important note: The Foster Youth policy does not cover damage to the vehicle being driven by the uninsured motorist in the above example.***

Program Details

Coverage is provided through the Automobile Insurance Plan and is available to youth who meet the following criteria:

- 1) Youth
 - a. between the ages of 18 and 21 and
 - b. who do not own an auto, and
 - c. are placed away from their parents or guardians, and
 - d. for whom the Missouri Department of Social Services (Children's Division) has legal custody, care, and placement responsibility pursuant to an order of a juvenile or family court of competent jurisdiction.

- 2) The policy covers the named individual only.
- 3) For limits of \$25,000/50,000 Bodily Injury and \$10,000 Property Damage. At this time, no higher limits are available.
- 4) Coverage applies to autos furnished or available to the youth for regular use.
- 5) Additional charges for accidents and convictions apply.
- 6) Normal underwriting guidelines apply.
- 7) As long as the youth resides in Missouri, the coverage is portable.

The Automobile Insurance Plan (AIP) is the market of last resort for consumers who need auto insurance but cannot find it through standard automobile insurance companies. The Automobile Insurance Plan Servicing Organization (AIPSO) is a non-profit management organization and service provider that administers the plan for Missouri and 48 other states and the District of Columbia. Additional information about AIPSO can be found at <https://www.aipso.com/AboutAipso.aspx>.

Any agent licensed to write automobile insurance in the state can assist a qualified youth in obtaining insurance through the Missouri Automobile Insurance. Youth may also contact the Plan at <https://www.aipso.com/ContactAIPSO.aspx> or by calling 800-424-0026 for a list of producers/agents in their area who have submitted business to the Missouri Automobile Insurance Plan.

Information and frequently asked questions on the non-owner insurance policy to share with youth and caregivers is located on the CD internet in the Older Youth Program Section.

NECESSARY ACTION	
<ol style="list-style-type: none"> 1. Review this memorandum with all Children’s Division staff. 2. All questions should be cleared through normal supervisory channels and directed to: 	
PDS CONTACT Sally A. Gaines (573)522-6279 Sally.A.Gaines@dss.mo.gov	PROGRAM MANAGER Marta Halter (573)751-2427 Marta.Halter@dss.mo.gov
CHILD WELFARE MANUAL REVISIONS	
N/A	
FORMS AND INSTRUCTIONS	
N/A	

<p>REFERENCE DOCUMENTS AND RESOURCES</p> <p>AIPSO Frequently Asked Questions</p>
<p>RELATED STATUTE</p> <p>N/A</p>
<p>ADMINISTRATIVE RULE</p> <p>N/A</p>
<p>COUNCIL ON ACCREDITATION (COA) STANDARDS</p> <p>FC 13</p>
<p>CHILD AND FAMILY SERVICES REVIEW (CFSR)</p> <p>N/A</p>
<p>PROTECTIVE FACTORS</p> <p>Parental Resilience: N/A Social Connections: N/A Knowledge of Parenting and Child Development: N/A Concrete Support in Times of Need: http://dss.mo.gov/cd/info/cwmanual/philbase.pdf Social and Emotional Competence of Children: http://dss.mo.gov/cd/info/cwmanual/philbase.pdf</p>
<p>FACES REQUIREMENTS</p> <p>N/A</p>